



Economic Development Strategy of City of Varaždin



**HGK-County Chamber
Varaždin**



The Urban Institute



USAID

Strategic planning is a methodology for adjusting to a changing environment, setting priorities, and directing resources to the most effective use. Economic development experts have adapted strategic planning from business practice and use it to help a community take responsibility for its economic future. Strategic planning is an ongoing process, a journey not a destination, and this economic development strategic plan (EDSP) is a product of that process, an early landmark in the journey for Varazdin.

The underlying assumption of this EDSP is that in a market economy, local government promotes economic development by creating an environment favorable for business activity. The EDSP serves as a framework for local efforts to create and maintain that favorable environment. It recommends specific, high-priority interventions for implementation during the next three to five years.

Table of Contents

SECTION	PAGE
Participants	3
Overview Of The Planning Process	5
Vision Of The City Of Varazdin	8
The SWOT Analysis	9
Strategic And Critical Issues	12
Recommended Interventions (Projects)	13
Implementation Recommendations	23
Appendices	

Participants

The EDSP for Varazdin was developed through a community-based process by a task force of business, community and government leaders. The Task Force worked through series of plenary workshop and sub-group meetings from March through November, 2001. Experts from the Local Government Reform Project, which is managed by The Urban Institute under sponsorship of United States Agency for International Development, provided technical assistance and support.

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1. Overview Of The Planning Process.

Democratic decentralization and transformation to a market economy are increasing the economic development responsibilities of local governments in Croatia. The new economic and political environment gives local government has greater responsibility for (1) the economic welfare of its citizens, (2) its own fiscal health, and (3) the management of its assets.

The new Law on local and regional self-government was adopted by the Croatian Parliament on 6th of April 2001. It defines the service provision responsibilities of local (municipality, city) and regional (county) self-governments. Article 21 enables cities with more than 30.000 inhabitants to undertake not only the activities assigned to all local self-government but also specified activities within the purview of regional authorities, if certain conditions are met. Economic development is one of these activities.

Despite the low investment and high unemployment that have created a difficult economic situation in Croatia during the last decade, Varazdin has managed to avoid major bankruptcy processes. Hard work by responsible people has created a business climate that helps craftsmen, small, medium entrepreneurs and large companies to continue their economic activities.

The Chamber of Economy, with the local government and support from the Chamber of Craftsmen and other companies and institutions, has initiated educational programs, promoted development of free and industrial zones, marketed Varazdin to potential investors, encouraged export activities, and supported small and medium enterprises (SMEs). The Task Force took into consideration all that has been done so far, the positive results of those efforts, and with this strategic planning process seeks to bring the economic development of Varazdin to a higher level.

The EDSP process began when the Varazdin city government decided to cooperate with US AID and The Urban Institute in the Local Government Reform Project (LGPR) and selected economic development as one of its activities. Through a memorandum of understanding, Varazdin committed itself to work with its citizens to produce and a community-based EDSP, and the LGRP committed itself to provide technical support.

The next step was to organize the public-private strategic planning task force. The City and the County Chamber of Economy shared leadership. Individuals representing local businesses, the Faculty of Information and Management, relevant departments of the City and County governments and community institutions were invited to serve on the Task Force. In its membership, the Task Force demonstrated the public-private cooperation that is crucial to this process. The Task Force began to formulate its vision of a desired future for Varazdin, which would serve as a goal statement for the EDSP.

Strategic decisions are based upon information, and so development of the EDSP began with information about the local economic situation. The Varazdin Chamber of Economy provided statistics from its database and the Urban Institute commissioned a survey to get current socioeconomic data about Varazdin residents.

Interviews with government officials and a business survey conducted by the Chamber also provided important information.

The Task Force considered the implications of this information using a technique called a SWOT analysis. The term SWOT comes from the first letters of the English words for strengths, weaknesses (positive and negative internal factors), opportunities and threats (positive and negative external factors). The SWOT analysis evaluated how these factors are likely to impact the Task Force's vision for the desired economic future of Varazdin.

Based upon the SWOT analysis and their own knowledge, the Task Force described the strategic issues affecting the economic future, and considered which issues were the most important and which issues they could influence. They selected three critical strategic issues to be the focus on the EDSP – development of small and new enterprises, setting up industrial zones, and promotion of Varazdin as an economic center.

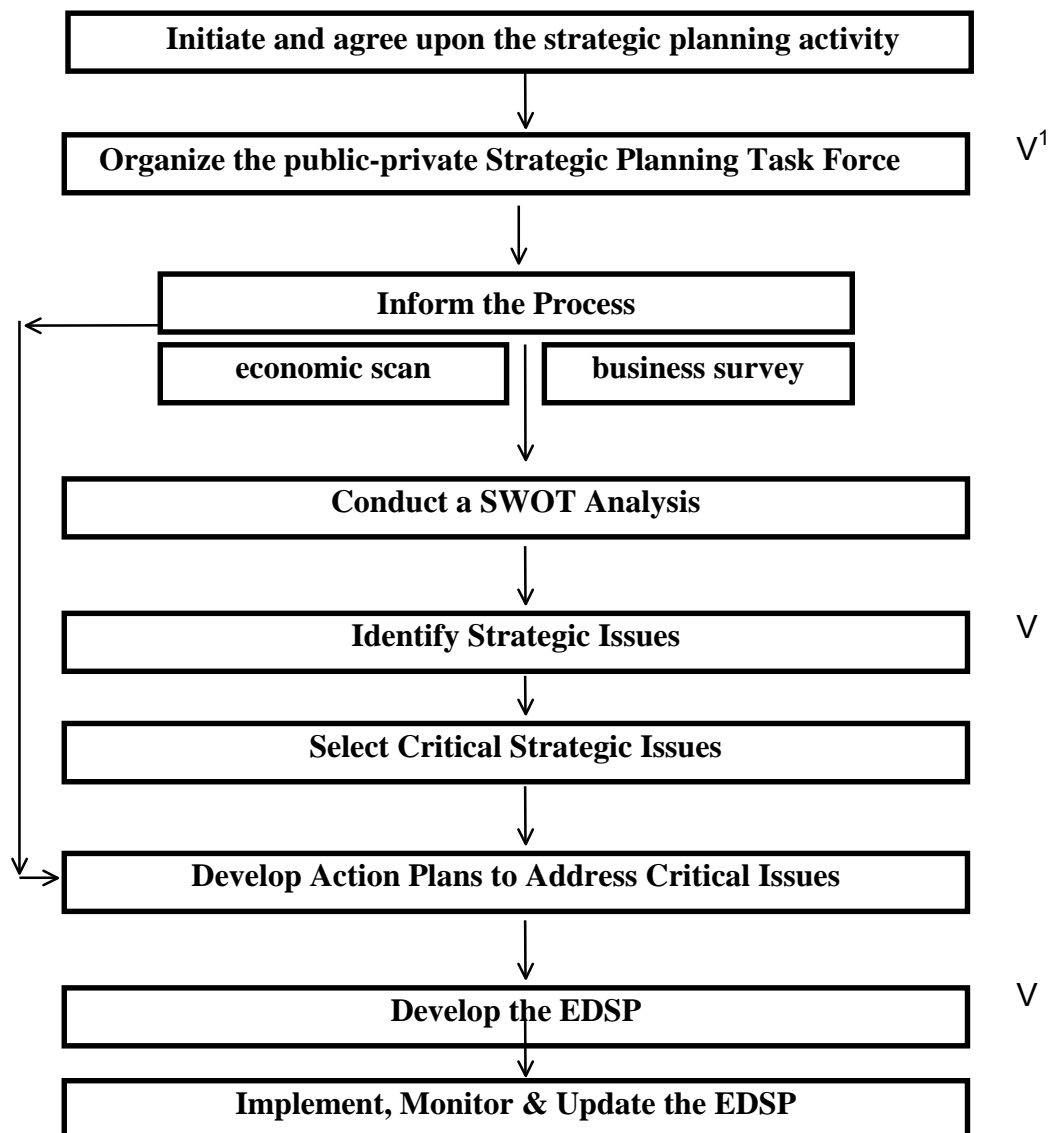
Task Force members divided into working groups, one to address each critical strategic issue. These working groups developed action plans for initiatives that could be implemented within the next few years to help achieve their vision of the desired economic future. The action plans, along with the vision for the desired future, are the heart of the EDSP document.

After the draft plan is developed there are opportunities for public review and comment through the media, the Internet, or meetings in the community.

The final steps in the process are to implement, monitor and update the EDSP. While the process has value and helps build partnerships, the success or failure of an EDSP is judged by its implementation. To promote implementation, the EDSP is submitted for adoption by the Varazdin City Council. Also, the broad involvement of community leaders in plan development provides support for implementation from people in a position to carry out the action plans.

Once implementation begins, monitoring ensures that activities are being carried out according to the plan or, if they are not, validates the reason for the modification. When the situation changes due to outside factors or to successful implementation activities, the plan is updated. Clearly these on-going activities will require a commitment of resources from Varazdin. The Task Force made recommendations about implementation, and guidelines for updating and monitoring the EDSP are in the appendix. The EDSP process is illustrated in the diagram below.

COMMUNITY-BASED STRATEGIC PLANNING FOR ECONOMIC DEVELOPMENT



¹ V marks a place in the process where the Task Force considered its vision for the future of Varazdin.

2. Vision of the City of Varazdin

Strategic planning is a tool that economic development planning has adapted from business practice, but there are differences. A business begins the EDSP process knowing that the goal is to make a profit, but the community has to decide what the goal is. What does the community want to become? The answer to that question is the vision statement in which task force members describe a desired future for Varazdin.

The vision statement describes a desired future for Varazdin after 3-5 years of successful economic development:

Varazdin is a human-friendly city, an infrastructurally and ecologically developed city integrated into the contemporary European trends (technological, communicational and legal). Varaždin is an economically developed (new job opportunities, high investments rate) and culturally strong center of the County and of north-western Croatia, the bearer of its own development and of the development of the surrounding area.

3. ANALYSIS OF VARAZDIN'S STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

The SWOT analysis is a framework for assessing the local situation. The analysis divides forces into internal or external, positive or negative. Its name comes from the first letters of the English words for:

***S**trengths, positive internal factors*

***W**eaknesses, negative internal factors*

***O**pportunities positive external factors*

***T**hreats, negative external factors*

Strengths, which can provide the foundation for achieving the vision of Varazdin's future, include aspects of the business climate, human resources, heritage and culture, the economic base, and other factors such as environmental quality. But there are also weaknesses that can prevent Varazdin from achieving its vision.

For example, the business climate benefits from good cooperation among local institutions, developed financial institutions, and accurate land ownership records. However, there is also insufficient support for new business development and until now, no broad-based strategy for local economic development. Similarly, there are human resource strengths such as good work habits and gender equality but also weaknesses such as insufficient stimulation for the work of young people.

Externally, a location near international borders, the forces of globalization and linkages with the European Union offer opportunities of access to new markets and ideas but also bring the threat of greater competition. Strengths and weaknesses in the national business climate affect Varazdin. The following table lists the strengths, weaknesses, opportunities and threats identified by Varazdin Task Force members.

RESULTS OF VARAZDIN SWOT ANALYSIS

STRENGTHS - internal	WEAKNESSES - internal
<p>Business Climate and Infrastructure</p> <ul style="list-style-type: none"> - highway connections - good cooperation among local institutions - developed financial institutions - arranged land books - good preconditions for the development of tourism (medical, hunting, congress) - solid communal infrastructure - good customs service - bank competition starts <p>Economic Base</p> <ul style="list-style-type: none"> - stable industrial structure - branch connection (diversification of production within a branch) - developed businesses and crafts - capital market - respectability of existing economic subjects (fidelity to trade marks) <p>Human Resources</p> <ul style="list-style-type: none"> - will, motive, knowledge, human potential - work habits - diligence, hospitality - adaptability - individual organization - gender equality - business spirit, potential - professional basis (quality) - university + businessmen - possibility of the maximum use of gifted people - significant number of the Automobile Club members - population density <p>Heritage and Culture</p> <ul style="list-style-type: none"> - community identity, recognizable - cultural potential, heritage, tradition - great concern for the environment - still healthy water - European «feeling» - strong motivation for the development of the city - Varaždin crafts fair - Varaždin – «klipići» pastry – gastronomic offer of a characteristic Varaždin cuisine, and excellent wine - nature, relief, tourism 	<p>Business Climate and Infrastructure</p> <ul style="list-style-type: none"> - insufficient functional and organizational connection among factors important for development no one-stop-shop (3) - lack of direction, own strategies (2) - undefined role of the local community in the scope of economy - insufficient support to new business ideas - lack of communal infrastructure (electricity, underdeveloped network, county and city level) - administrative barriers (local regulations) - insufficient number of development programs and investment into the development of new products - insufficient stimulation of crafts - banking-reluctance to take risks, unfavorable credits(2) - reserved financial houses - harmonized opinions and points of view about key issues decisive for the development (no crossed fingers) - inconsistency of the legal system – disrespect of the adopted laws - underdeveloped tourist infrastructure - no system for waste disposal <p>Economic Base</p> <ul style="list-style-type: none"> - outdated technology - unused business potential - unused potential in continental tourism <p>Human Resources</p> <ul style="list-style-type: none"> - little specialized knowledge - work of young people is insufficiently stimulated (institutionally) - no solidarity for real values (people with knowledge) – nepotism - old-fashioned mentality - insufficient readiness of the citizens to realize «common interests» - inconsistency, distrust, «envy» - excessive self-criticism and criticism - not using the university and other staff as development resources - negative personnel selection - repeating the mistakes of others (futile behavior) <p>Other</p> <ul style="list-style-type: none"> - There is no souvenir of Varaždin - territorial limitation - asset management - no information about collection of local taxes - sale of land vs. concession - unsolved question of managing city property

OPPORTUNITIES – external	THREATS – external
<p>Locational Advantages</p> <ul style="list-style-type: none"> - geostrategic position - geographical position in relation to the EU, Croatia - regional connections - local border traffic - opening the customs zone <p>National and Global Economic Trends</p> <ul style="list-style-type: none"> - integration, globalization (2) - linking our economic infrastructure to the economic infrastructure of the EU - adjustments to the EU standards - introducing EURO - political climate supporting investment and development - using the international economic events for the promotion of domestic economy and for the acquisition of new ideas - increased interest in tourism <p>Human Resources</p> <ul style="list-style-type: none"> - youth potential - Diaspora <p>Other</p> <ul style="list-style-type: none"> - making Varaždina human-friendly - finish building the highway - using air traffic - decentralization - systematic stimulation and promotion of the innovations institute (process from creation to realization of innovations) 	<p>Locational Disadvantages</p> <ul style="list-style-type: none"> - location close to Zagreb <p>National and Global Economic Trends</p> <ul style="list-style-type: none"> - negative impact of opening up to the international market and globalization(2) - foreign ownership of domestic banks – less follow up of the local businesses - poor awareness of the advantages of integration into the EU - elaborate surveillance over the operation of companies - too strong centralization of fiscal and financial systems - administrative limitations on the national level - legal framework (politics predominates over qualification) – inefficiency - general insolvency and unemployment - low salaries - unstable region <p>Human Resources</p> <ul style="list-style-type: none"> - cheap labor force - outflow of skilled labor force - disorganized state administration (unprofessional bureaucracy) <p>Other</p> <ul style="list-style-type: none"> - treatment as OBJECT of the strategy of others - mass epidemics - global climatic changes

4. Strategic And Critical Issues

The EDSP process begins to set priorities by identifying strategic issues, issues that are (1) relevant to the vision for the future of Varaždin and (2) shown to be important by the information in the SWOT analysis. A strategic issue looks for ways to address weaknesses, build upon strengths, respond to threats, or exploit opportunities to achieve the vision.

A strategic issue is expressed as a question with more than one possible answer. An example is, "How can we support and encourage the growth of small and medium enterprises?" Deciding upon answers - such as an incubator, a loan program, management or technical assistance - occurs later in the planning process. Strategic issues are the starting point for deciding which are the critical strategic issues that will become the focus of the EDSP.

The Task Force identified numerous strategic issues, many expressing similar concerns. The full list of strategic issues is grouped by topic in the Appendix. The questions they raised can be summarized as:

- How to support development through entrepreneurship?
- How to ensure sustainable development with ecological awareness?
- How to ensure and support the development of human resources (and their link to economic development)?
- How to decrease unemployment?
- How to develop appropriate infrastructure?
- How to ensure technological development?

The Task Force considered the following criteria when deciding which of these strategic issues were most critical to realisation of the vision for Varaždin:

- When will this strategic issue confront Varaždin?
- How broad an impact will the issue have?
- Will resolution of this issue likely require the development of new partnerships?
- Will resolution of this issue require the commitment of significant resources?
- What are the probable consequences for not addressing this issue?
- Does the task force have the capacity to address this issue?

The Task Force decided upon the following critical strategic issues for Varaždin:

1. How can we support new business development and new jobs?
2. How can we ensure sustainable development with ecological awareness?
3. How can we ensure and support the development of human resources and their link to economic development?

5. Recommended Interventions (Projects)

Critical Issue: How To Support New Business Development And New Jobs?

THE CHOSEN PRIORITY INTERVENTIONS FOR THIS CRITICAL ISSUE ARE:

1. ESTABLISH ZONES FOR INDUSTRIAL, SMALL AND MEDIUM ENTERPRISE AND HIGH-TECH DEVELOPMENT
2. ESTABLISH AN INFORMATION CENTER TO SUPPORT DEVELOPMENT OF CRAFTS AND SMES
3. PROMOTION OF VARAZDIN AS A STRONG ECONOMIC CENTER

Why have we chosen the above as priority areas for the economic development of the City?

The Task Force feels these interventions will most strongly support rapid and efficient economic development while creating new jobs and promoting entrepreneurship. This does not mean that we should neglect all other development activities, but we believe that the selected areas cover most issues. For example, establishing zones for industrial, small and medium enterprise and high-tech development implies the development of industries necessary both for the construction and development of the zones and for the industries that will occupy those zones once they are constructed.

We have also taken into consideration that some projects in these priority areas have already been started. We believe that the amount of money needed to accomplish them is acceptable, that the City's asset management reform will help in their implementation, and that it is possible to finalize them within the given timeframe.

1. ESTABLISH ZONES FOR INDUSTRIAL, SMALL AND MEDIUM ENTERPRISE AND HIGH-TECH DEVELOPMENT

Constructing and developing the zones will create new jobs, and more jobs will be created in firms that locate in the zones after these zones are constructed. Industrial zones will not only create new job opportunities, they will also provide infrastructure needed for development in a modern economy. High quality zones and support for small and medium enterprises will support the development of (hunting, medical, other), agriculture and other economic activities in the City.

Within the economic zones, the small enterprise zone has been identified as a separate entity for the following reasons:

- It will stimulate the development of small local entrepreneurs (potential and existing) by providing logistics for the zone under favorable conditions by the City.

- Statistics show that small enterprises use invested capital more efficiently than do large firms. For instance, 1999 gross income in an average Croatian county is 19% for small enterprises, 8.7% for medium-size enterprises, and 5.3% for big enterprises. With small enterprises, the highest rate of unemployment is by invested capital as well as the highest rate of realized income by capital;
- The zone will provide small craftsmen currently operating from their homes with a more appropriate location for their business activities and a more efficient procedure for legalizing their operations.

The industrial zone is intended to attract a smaller number of larger investors, firms that will provide a larger number of jobs per company. These firms must comply with ecological criteria.

To support new business development and jobs creation by establishing zones for industry development, the Task Force proposes the following actions:

1. Define the location of new zones: industrial zone 2, small and medium entrepreneurs' zone, and high-tech zone
2. Present information and define economic needs and potentials in order to define industrial zone 2, small and medium entrepreneurs' zone, and high-tech zone
3. Complete and adopt an urban land use plan in compliance with activity no. 1
4. Define environment protection measures for every zone in compliance with the Environmental Protection Study. (Include existing free and industrial zone as well as the new industrial zone 2, small and medium entrepreneurs' zone and high-tech zone.)
- 5.1 Define priorities based on earlier analyses
- 5.2 Create implementation plans for: free zone, small and medium entrepreneurs' zone, Industrial zone 1 and Industrial zone 2, and high-tech zone
6. Promote all of the zones

2. SUPPORT DEVELOPMENT OF SMEs

We propose setting up an Information Center to facilitate and speed the procedure that an entrepreneur must go through to start a business. The Center will coordinate information about all the entities whose services an entrepreneur may require - informational, educational and even promotional services – and direct the entrepreneur to service providers and lenders that are competent and reasonably priced. As a result of the Center's services, entrepreneurs will have improved access to capital, especially loans.

To establish an information center to support development of crafts and SMEs, the task force proposes the following actions:

1. Analyze present situation and screen the needs of crafts, small and medium-size enterprises
2. Prepare a program for the development of crafts as well as small and medium-size enterprises for the next 5 years. This program should include information about self-employment, employment, loans, local tax policy, infrastructure (zone for small and medium-size enterprises), and promotion.
 - 2.1 Define the use of city, county and state incentives for the development of entrepreneurship
 - 2.2 Coordinate efforts between all institutions, organizations, entrepreneurs dealing with development
 - 2.3 Provide logistical support to the Information Center as part of the Enterprise Center. Support it as a place to obtain information required by entrepreneurs and links to relevant offices providing technical assistance.
 - 2.4 Continue and strengthen training assistance for entrepreneurs as needed

3. PROMOTION OF VARAZDIN

Finally, we would like to point out the importance of promoting both the zones and the City as a center of economic development. Promotion is necessary to attract small entrepreneurs as well as big investors by informing them about our good business climate. It also builds public support for the City's economic development projects. One point the promotion will make is that the economic development projects are part of a good infrastructure plan and will not impair ecological standards.

Systematic promotion of the advantages of the economy-oriented City makes the City a desirable support to a small entrepreneur as well as a contractor of a big investor. Both reward the City for cooperation with their profitable operation, thus enabling new development cycles.

To promote Varazdin as a center of economic activity, the task force proposes the following actions:

- Define the competitive advantages of Varazdin to positioning it as the best city in Croatia for business activities .
 - Identify all possible target groups including potential investors and business partners
3. Decide how to approach the target groups
 - 3.1 Participate in Fairs (*specialized fairs*: catalogue of exhibitors, press conferences, presentations, workshops; *general fairs*: information centers; joint participation with other institutions – CCE, CCC, etc.)
 - 3.2 Form a team of agents to promote export niches and create business opportunities
 - 3.3 Create a promotional campaign: media coverage, web-sites, brochures, CDs, video tapes, and other materials
 - 3.4 Stimulate inter-regional relations
 - 3.5 Introduce business opportunities to business delegations
 - 3.6 Participate in exhibitions, promotions, workshops, press conferences
 - 3.7 Attend hearings and meetings at home and abroad
 - 3.8 Establish personal contacts between the mayor and other city officials

Critical Issue; How To Ensure Sustainable Development With Ecological Awareness?

After analyzing the elements that are important for sustainable development and ecology, the Task Force decided it was not necessary to create separate action plans for this issue. However, these elements need to be integrated in the action plans of the group that deals with Critical Issue number one, How To Support New Business Development And New Jobs?

The Task Force points out that the construction of industrial zones, plants and all works should progress only after studying the influence it will have on the environment, and in accordance with the law. We must also keep in mind that the local self-government unit is also entitled to prescribe additional bylaws to preserve the environment if necessary.

The Task Force supports all current efforts regarding the repair of the waste water filter, protection of the watercourse, improvement of the sewage system and waste treatment. We will continue to support these efforts in the future, especially if the City is expanding.

Critical Issue: How To Ensure And Support The Development Of Human Resources And Their Link To Economic Development?

THE CHOSEN PRIORITY INTERVENTIONS FOR THIS CRITICAL ISSUE ARE:

1. UP-GRADE THE SYSTEM OF FORMAL EDUCATION
2. UPGRADE THE INFORMAL/LONG-LIFE-LEARNING SYSTEM OF EDUCATION
3. USE EXISTING POTENTIAL
4. FACILITATE ACCESS TO EDUCATION FOR STUDENTS FROM SOCIALLY VULNERABLE FAMILIES

1. UP-GRADE THE SYSTEM OF FORMAL EDUCATION

Formal public education is the foundation for the economic development in Varazdin, and how well the educational system meets the needs of employers is the measure of its efficiency. This formal system of education begins in kindergarten and ends at universities. The overall system is under state jurisdiction (covered at least by two ministries), but some of its parts (pre-school and primary school education) are according to the new law, in the direct administration of the City.

Thus, the City has the obligation and the right to structure this part of the formal educational system in accordance with its potential and the needs of the wider community. In cooperation with the County, the City can influence the secondary-school system to provide curricula that prepares students for jobs in city and the wider region.

Through its roles as a direct source of resources (which the City is in the case of pre-school and primary school education), and as a catalyst (in the case of secondary education), the City can also exert influence upon higher education. The city should ensure the necessary material and financial means and skilled human resources for the educational system.

The educational system should be managed through planned curricula at all levels, and the curricula should be defined at all levels. This system must be designed to produce skilled and educated individuals who meet the development needs of companies, and at the same time, prepare our youth to meet the conditions of joining the European Community. It should be implemented at two levels:

- Prepare curricula that incorporates the knowledge and technologies that companies will need in the future, and
- build a system that meets modern educational standards and prepares students to work in a global economy.

To achieve these goals, the following needs to be done:

- Prepare a projection of the educational system in the city based on the analysis of requests by companies. Curricula and the educational institutions themselves should be defined.
- Confirm and adopt the projection at public hearings attended by the interested parties

- Define educational standards by types of resources, including teachers and students
- Define the quality and quantity of resources necessary to improve our public education system so that it will meet the needs of business.
- Outline the strategy for developing the formal educational system of the City and the wider region, then prepare an implementation plan.

2. UPGRADE INFORMAL/LONG-LIFE-LEARNING SYSTEM OF EDUCATION

Economic development depends on the ability of the people to reach long-term goals, and this requires an adequate educational system. For the community to progress requires not only formal education system but also access to informal education that stimulates the desire for lifelong learning. The processes of life-long (permanent) learning and the development of the community-city, are directly related.

Informal education is needed so that workers can adapt to changes in technology, especially in the development of information science.

Life-long learning helps us develop a capable, adaptable, flexible labor force (with emphasis on information technology), which upgrades its skills in response to the needs of the economy.

A modern and dynamic business world requires that people not only have professional knowledge but also continue their professional learning throughout their careers, gaining a whole series of additional knowledge and skills. These may include:

- training to open and manage a business
- knowledge of foreign languages,
- computer skills (and typing),
- driver's license (D and E category more and more),
- passing a professional examination,
- passing a master craftsman's certificate examination,
- passing certain licenses (e.g. for guards),
- passing the examination for authorized accountants,
- additional trainings for specific occupations,
- certificates for welding procedures,
- other.

To goal is to develop and maintain a system of support (financial and other), that will provide access to and encourage people to gain the knowledge and skills that will help them get a job and progress in a career. A skilled and flexible workforce leads to higher employment rates, and the flexible labor force supports the adaptability necessary for a successful and efficient community.

3. ENHANCE THE USE OF EXISTING POTENTIALS

The proposal to enhance the use of existing potentials and the implementation of practice of negative selection aims to remove all obstacles that are now standing in the way of achieving equitable personnel policies in trade companies, in public enterprises, and especially in administration. It can be achieved if we:

- permanently monitor talented pupils and students,
- recommend the talented, expert and skilled for suitable jobs,
- define required qualifications and skills for specific jobs according to their complexity,
- use public competition to select people for jobs and award contracts
- avoid selecting individuals for jobs based upon personal and political loyalty,
- motivate and reward the talented, inventors etc.,
- base our selection on economic (businesses) needs, i.e. through:
 - the existing personnel pool,
 - the use of talented pupils and students,
 - opening different courses and departments in cooperation with schools and universities,
 - enabling continuing education, access to literature, lectures, fairs, etc.

In order to accomplish this, the Task Force proposes to:

- develop a public database of information about experts and potential resources (including those abroad)
- educate business leaders about the importance of involving high quality human resources, and
- promote the database to potential users (those who will hire experts from database and those who are the part of database).

4. FACILITATE ACCESS TO EDUCATION FOR STUDENTS FROM SOCIALLY VULNERABLE FAMILIES

This recommended intervention is to improve social conditions in order to achieve higher quality human resources that will support economic development. It presumes establishing equality in the process of education from pre-school education through the most advanced university degree.

Discrimination between children occurs as early as pre-school, because some children are not able to go to pre-school. Theoretically it is, therefore, possible to presume that very gifted children, who do not go to pre-school, start primary school insufficiently prepared for regular education.

Social discrimination during primary, secondary, and especially higher education has been increasing. As a result, a large number of young people with above-average abilities are denied access to higher education, or any advanced degree. The absence of systematic care for the above-average or gifted child generates significant discrimination and holds them back.

The City can, within its capacity, design a policy to provide equal access to education for all, and especially for the gifted, regardless of their social status. This can be done by stimulating the gifted student, including all children in pre-school education, building dormitories for pupils and students, establishing a system of scholarships and a system of rewards for above-average results, financing education abroad, instituting awards for masters and doctoral dissertations, etc.

6. Implementation Recommendations

The City of Varazdin local self-government has been active in economic development. Therefore, the Task Force developed an EDSP that seeks to build upon the work already underway and to contribute recommendations to interventions that are being considered. The EDSP recommendations are completely consistent with City activity and policies, and so the lead agency for this initiative should be the City government.

The City seeks assistance in obtaining financing, logistics, and project management for implementation. In all areas, implementation by the City will benefit from the support of partners who can provide information about similar efforts in other cities and technical assistance with project management. Several private sector members of the EDSP Task Force have expressed their willingness to work closely with the City to achieve implementation of these proposals. The LGRP is committed to continue its partnership with Varazdin and to provide technical assistance in support of EDSP implementation.

By demonstrating the existence of a partnership between the government and the private sector and a strategic basis for proposed projects, the EDSP itself is an asset for the City as it seeks the financial support needed for implementation. The LogFrame format is used for recommended interventions because it is consistent with European Union requirements. Croatia has just signed the first documents, and can look for project funding from the EU, particularly for non-governmental organizations.

Partnerships will also promote specific project implementation. For example, the most effective efforts will likely be partnerships between the City and other entities such as the Chamber of Economy for promoting Varazdin as an economic center, or the Faculty of Informatics and Management for improving life-long learning. The LogFrame tables list the organizations that the Task Force identified as resources for implementation.

The support for new business development and new jobs is the area where current City activities and EDSP recommendations are most closely aligned. The EDSP recommends interventions to set up zones for industrial and high tech development. It emphasizes support for small and medium enterprises as well as promoting Varazdin as an economic center.

The City of Varazdin recently established a Free Trade Zone to build upon its locational advantage being near the border and to attract large-scale foreign investment that will eventually create up to 2000 jobs. The City is also in the planning stages for a business incubator and a zone for SME development. The Chamber of Economy has been active in this effort. Both the City and the Task Force have expressed interest in learning more about development of high technology zones. Particularly in the areas of accessing financial support and of recruiting firms to Varazdin, business leaders represent a valuable resource in support of successful zone development.

The second critical issue addresses human resource issues with recommended interventions to improve education and training, to enhance the use of existing human potential, and to make quality education available to all children. The Ministry of Education and Sports establishes standards for educational programs, but the City can enrich programs, for example, by adding entrepreneurial and informatics education.

The Task Force made no specific recommendations for implementation but looks to decisionmakers in the City, working with school administrators, with social service agencies, and perhaps with the Faculty of Informatics and the private sector to implement the recommended interventions. This critical issue requires a long-term perspective, but it is crucial to economic development, particularly to development associated with high tech industries.